



PROPOSED RULE MAKING (RCW 34.05.320)

**CR-102 (7/22/01)
Do NOT use for expedited
rule making**

Agency: Department of Labor and Industries

- ☒ Preproposal Statement of Inquiry was filed as WSR 03-05-072; or
☐ Expedited Rule Making -- Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice
☐ Supplemental Notice
to WSR _____
☐ Continuance of WSR _____

(a) Title of rule:

Workers' Compensation Classification Plan - Chapter 296-17-WAC General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance

Purpose: Agency proposes to revise the general reporting rules and classification plan applicable to chapter 296-17 WAC for Workers' Compensation Insurance, underwritten by the Department of Labor and Industries. Specifically, to amend seven general reporting rules, repeal one existing risk classification definition rule, and amend twenty-nine risk definitions.

Other identifying information: **See attachment**

(b) Statutory authority for adoption:

RCW 51.04.020 (General Authority)
RCW 51.16.035 (Classification Plan/Base Rate)
RCW 51.12.120 (Extraterritorial Agreements)

Statute being implemented:

RCW 51.16.035

(c) Summary:

See attachment

Reasons supporting proposal:

See attachment

(d) Name of Agency Personnel Responsible for:

	Office Location	Telephone
1. Drafting... Ken Woehl	Tumwater, WA	(360) 902-4775
2. Implementation.... Kathy Kimbel	Tumwater, WA	(360) 902-4739
3. Enforcement..... Robert Malooly	Tumwater, WA	(360) 902-4209

(e) Name of proponent (person or organization):

Department of Labor and Industries

- ☐ Private
☐ Public
☒ Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters:

N/A

(g) Is rule necessary because:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, ATTACH COPY OF TEXT Citation: N/A
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

(h) HEARING LOCATION:

Tumwater Labor and Industries Office
7273 Linderson Way S.W.
Tumwater, WA 98504-4851
Room S118

Date: September 26, 2003 **Time:** 10 a.m.

Assistance for persons with disabilities: Contact
Office of Information and Assistance
By September 29, 2003

TDD (360) 902-5797

NAME (TYPE OR PRINT)

Paul Trause

SIGNATURE

TITLE

Director, Labor and Industries

DATE

August 12, 2003

Submit written comments to:

Department of Labor and Industries
Ken Woehl
Classification Services Section
P.O. Box 44148, Olympia WA 98504-4148
Or E-Mail to WOEH235@lni.wa.gov or
FAX (360) 902-4729 By September 29, 2003

DATE OF INTENDED ADOPTION: November 12, 2003

CODE REVISER USE ONLY

WSR # 03-17-016

(j) Short explanation of rule, its purpose, and anticipated effects:

The department is required by RCW 51.16.035 to establish and maintain a Workers' Compensation Insurance Classification Plan that classifies all occupations or industries within the state, and to set basic rates of premium for all classifications. The department proposes to revise general reporting rules and classification plan. The rule proposals are intended to better clarify certain general reporting rules, to distribute the costs fairly among employers, and to ensure actuarial solvency. This includes amending seven general reporting rules, repealing one risk classification definition, and amending twenty-nine risk classification definitions applicable to Chapter 296-17 for Workers' Compensation Insurance underwritten by the Department of Labor and Industries.

These changes are brought about by various elements. 1) The department has conducted a review of certain classifications and determined that certain revisions are needed. 2) The addition of new emerging industries to the classification plan. 3) Requests from stakeholders for certain changes or clarification in rules. 4) To continue to clarify, while providing adequate detail, in compliance with clear rule writing.

Does proposal change existing rules? ☒ YES ☐ NO

If yes, describe changes:

See attachment

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.
A copy of the statement may be obtained by writing to:

☒ No. Explain why no statement was prepared

The Regulatory Fairness Act requires that the economic impact of proposed regulations be analyzed in relation to small business, and outlines the information that must be included in a Small Business Economic Impact Statement (SBEIS). Preparation of a SBEIS is required when a proposed rule has the potential of placing a more than minor economic impact on business.

However, since the proposed rule would not place a more than minor economic impact on business, the preparation of a comprehensive SBEIS is not required.

(l) Does RCW 34.05.328 apply to this rule adoption? ☐ Yes ☒ No
Please explain:

RCW 51.16.035 requires the Department of Labor and Industries to establish a Classification Plan to include general reporting rules, risk classification definitions, and premium rates for all classifications in accordance with recognized principles of insurance.

The rule is significant under RCW 34.05.328, however, this rule is exempt from the significant rule-making criteria because RCW 34.05.328(5)(b)(vi) establishes that rules that set or adjust fees or rates pursuant to legislative standards are exempt from the criteria outlined in RCW 34.05.328.